

FREE REPORT: *Seven “Must-Know” Facts About the New Tax Credit*

This recently-changed government Tax Credit offer more to today’s first time homebuyer with greater incentive and relaxed restrictions, this offer might be just what you need to start building a foundation for the future... and begin enjoying a place to call home.

If huge inventory and low interest rates aren’t enough to compel you to make your first home purchase, maybe the addition of the newly-improved, sizeable tax credit will help.

Here are five fast facts to help you determine whether the First-Time Homebuyer Tax Credit will work for you:

- 1. The incentive has increased from the 2008 value of \$7,500 to up to \$8,000.** It represents a credit of 10% of the home value, with a cap of \$8,000. It applies to only to those buyers who purchased after January 1, 2009 and before December 1, 2009. 2009 purchasers can make an election to claim the credit on their 2008 returns. Ask your CPA about what options are available to you.
- 2. Income limits restrict who can claim the tax credit. This credit is subject to income limitations.** Single buyers need a modified gross income of \$75,000 or less to qualify for the full credit and married couples have are limited to a gross adjusted income of \$150,000. Those earning more than those income caps may qualify for a reduced credit. Call me today to find out how much credit you can claim.
- 3. Any U.S. citizen who pays taxes, has not owned a home as his or her principal residence during the past three years and meets the income requirements is eligible for the tax credit.** Married taxpayers qualify only neither spouse has owned a principal residence in the past three years. The date of purchase is considered the day that the title is transferred. Because it is defined as owning a “principal” residence, if you’ve owned a vacation home for example but not a principal residence, you would still qualify.



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- 4. The unpopular “repayment” condition of the 2008 credit is eliminated for 2009 purchasers.** Unfortunately, eligible 2008 purchasers are still responsible for the repayment.
- 5. The amount of the tax credit is tied to the price of the home.** The credit is for 10% of the price of the home, up to a maximum of \$8,000.
- 6. The new credit is refundable.** Because of this, qualified buyers can take advantage even if they don't have much tax liability. In other words, tax filers see a refund of the full \$8,000 even if their total tax bill, the amount of withholding they pay during the year plus anything they paid to file their returns was less than that amount. For example if a tax filer had a total liability of \$6,000 and had \$7,000 in withholding, they would normally receive a refund of \$1,000. In this instance he or she would receive \$9,000.
- 7. There is a Recapture clause.** Buyers have to own the home for at least three years in order to capitalize on the credit. If they sell the home before then, they will have to return the credit to the IRS. (Exceptions are considered in certain cases such as death or divorce.)

Feel free to contact us at 309-264-2971, if you have additional questions or need clarification on anything else concerning this outstanding limited-time opportunity. We would be happy to sit down with you to discuss your eligibility and your options for making a move that not only will help you build wealth, but also will give you a place to call “home.”

**For more information
on market trends, mortgage
rates, investments or
real estate needs, please feel
free to contact us!**



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